## SENATE BILL No. 118

### DIGEST OF INTRODUCED BILL

Citations Affected: IC 22-4.

Synopsis: Unemployment compensation waiting period. Eliminates

the waiting period for unemployment benefits.

Effective: July 1, 2004.

# Simpson

January 6, 2004, read first time and referred to Committee on Pensions and Labor.



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#### Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

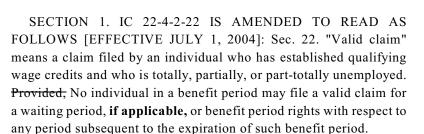
Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in this style type. Also, the word NEW will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in this style type or this style type reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

### SENATE BILL No. 118

A BILL FOR AN ACT to amend the Indiana Code concerning labor and industrial safety.

Be it enacted by the General Assembly of the State of Indiana:



SECTION 2. IC 22-4-2-29 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 29. "Insured unemployment" means unemployment during a given week for which waiting period credit, if applicable, or benefits are claimed under the state employment security program, the unemployment compensation for federal employees program, the unemployment compensation for veterans program, or the railroad unemployment insurance program.

SECTION 3. IC 22-4-14-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 4. (a) This subsection applies before January 1, 2005. As a condition precedent to the









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payment of benefits to an individual with respect to any week, such individual shall be required to serve a waiting period of one (1) week in which he the individual has been totally, partially or part-totally unemployed and with respect to which he the individual has received no benefits, but during which he the individual was eligible for benefits in all other respects and was not otherwise ineligible for benefits under any provisions of this article. Such waiting period shall be a week in the individual's benefit period and during such week such individual shall be physically and mentally able to work and available for work. No An individual in a benefit period may not file for waiting period or benefit period rights with respect to any subsequent period. Provided, However, That no waiting period shall be required as a prerequisite for drawing extended benefits.

(b) This subsection applies after December 31, 2004. An individual in a benefit period may not file for benefit period rights for any subsequent period.

SECTION 4. IC 22-4-15-1, AS AMENDED BY P.L.189-2003, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. (a) With respect to benefit periods established on and after July 6, 1980, an individual who has voluntarily left the individual's most recent employment without good cause in connection with the work or who was discharged from the individual's most recent employment for just cause is ineligible for waiting period, if applicable, or benefit rights for the week in which the disqualifying separation occurred and until the individual has earned remuneration in employment equal to or exceeding the weekly benefit amount of the individual's claim in each of eight (8) weeks. If the qualification amount has not been earned at the expiration of an individual's benefit period, the unearned amount shall be carried forward to an extended benefit period or to the benefit period of a subsequent claim.

- (b) When it has been determined that an individual has been separated from employment under disqualifying conditions as outlined in this section, the maximum benefit amount of the individual's current claim, as initially determined, shall be reduced by twenty-five percent (25%). If twenty-five percent (25%) of the maximum benefit amount is not an even dollar amount, the amount of such reduction will be raised to the next higher even dollar amount. The maximum benefit amount may not be reduced by more than twenty-five percent (25%) during any benefit period or extended benefit period.
- (c) The disqualifications provided in this section shall be subject to the following modifications:
  - (1) An individual shall not be subject to disqualification because









1	of separation from the individual's employment if:
2	(A) the individual left to accept with another employer
3	previously secured permanent full-time work which offered
4	reasonable expectation of continued covered employment and
5	betterment of wages or working conditions, and thereafter was
6	employed on said job;
7	(B) having been simultaneously employed by two (2)
8	employers, the individual leaves one (1) such employer
9	voluntarily without good cause in connection with the work
10	but remains in employment with the second employer with a
11	reasonable expectation of continued employment; or
12	(C) the individual left to accept recall made by a base period
13	employer.
14	(2) An individual whose unemployment is the result of medically
15	substantiated physical disability and who is involuntarily
16	unemployed after having made reasonable efforts to maintain the
17	employment relationship shall not be subject to disqualification
18	under this section for such separation.
19	(3) An individual who left work to enter the armed forces of the
20	United States shall not be subject to disqualification under this
21	section for such leaving of work.
22	(4) An individual whose employment is terminated under the
23	compulsory retirement provision of a collective bargaining
24	agreement to which the employer is a party, or under any other
25	plan, system, or program, public or private, providing for
26	compulsory retirement and who is otherwise eligible shall not be
27	deemed to have left the individual's work voluntarily without
28	good cause in connection with the work. However, if such
29	individual subsequently becomes reemployed and thereafter
30	voluntarily leaves work without good cause in connection with the
31	work, the individual shall be deemed ineligible as outlined in this
32	section.
33	(5) An otherwise eligible individual shall not be denied benefits
34	for any week because the individual is in training approved under
35	Section 236(a)(1) of the Trade Act of 1974, nor shall the
36	individual be denied benefits by reason of leaving work to enter
37	such training, provided the work left is not suitable employment,
38	or because of the application to any week in training of provisions
39	in this law (or any applicable federal unemployment
40	compensation law), relating to availability for work, active search
41	for work, or refusal to accept work. For purposes of this
42	subdivision, the term "suitable employment" means with respect



1	to an individual, work of a substantially equal or higher skill level
2	than the individual's past adversely affected employment (as
3	defined for purposes of the Trade Act of 1974), and wages for
4	such work at not less than eighty percent (80%) of the individual's
5	average weekly wage as determined for the purposes of the Trade
6	Act of 1974.
7	(6) An individual is not subject to disqualification because of
8	separation from the individual's employment if:
9	(A) the employment was outside the individual's labor market;
10	(B) the individual left to accept previously secured full-time
11	work with an employer in the individual's labor market; and
12	(C) the individual actually became employed with the
13	employer in the individual's labor market.
14	(7) An individual who, but for the voluntary separation to move
15	to another labor market to join a spouse who had moved to that
16	labor market, shall not be disqualified for that voluntary
17	separation, if the individual is otherwise eligible for benefits.
18	Benefits paid to the spouse whose eligibility is established under
19	this subdivision shall not be charged against the employer from
20	whom the spouse voluntarily separated.
21	(8) An individual shall not be subject to disqualification if the
22	individual voluntarily left employment or was discharged due to
23	circumstances directly caused by domestic or family violence (as
24	defined in IC 31-9-2-42). An individual who may be entitled to
25	benefits based on this modification may apply to the office of the
26	attorney general to have an address designated by the office of the
27	attorney general to serve as the individual's address for purposes
28	of this article under IC 5-26.5.
29	As used in this subsection, "labor market" means the area surrounding
30	an individual's permanent residence, outside which the individual
31	cannot reasonably commute on a daily basis. In determining whether
32	an individual can reasonably commute under this subdivision, the
33	department shall consider the nature of the individual's job.
34	(d) "Discharge for just cause" as used in this section is defined to
35	include but not be limited to:
36	(1) separation initiated by an employer for falsification of an
37	employment application to obtain employment through
38	subterfuge;
39	(2) knowing violation of a reasonable and uniformly enforced rule
40	of an employer;
41	(3) unsatisfactory attendance, if the individual cannot show good



cause for absences or tardiness;

1	(4) damaging the employer's property through willful negligence;
2	(5) refusing to obey instructions;
3	(6) reporting to work under the influence of alcohol or drugs or
4	consuming alcohol or drugs on employer's premises during
5	working hours;
6	(7) conduct endangering safety of self or coworkers; or
7	(8) incarceration in jail following conviction of a misdemeanor or
8	felony by a court of competent jurisdiction or for any breach of
9	duty in connection with work which is reasonably owed an
0	employer by an employee.
1	(e) To verify that domestic or family violence has occurred, an
2	individual who applies for benefits under subsection (c)(8) shall
.3	provide one (1) of the following:
4	(1) A report of a law enforcement agency (as defined in
5	IC 5-2-5-1).
6	(2) A protection order issued under IC 34-26-5.
7	(3) A foreign protection order (as defined in IC 34-6-2-48.5).
8	(4) An affidavit from a domestic violence service provider
9	verifying services provided to the individual by the domestic
20	violence service provider.
21	SECTION 5. IC 22-4-15-2, AS AMENDED BY P.L.189-2003,
22	SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23	JULY 1, 2004]: Sec. 2. (a) With respect to benefit periods established
24	on and after July 3, 1977, an individual is ineligible for waiting period,
25	if applicable, or benefit rights, or extended benefit rights, if the
26	department finds that, being totally, partially, or part-totally
27	unemployed at the time when the work offer is effective or when the
28	individual is directed to apply for work, the individual fails without
29	good cause:
0	(1) to apply for available, suitable work when directed by the
31	commissioner, the deputy, or an authorized representative of the
32	department of workforce development or the United States
3	training and employment service;
34	(2) to accept, at any time after the individual is notified of a
55	separation, suitable work when found for and offered to the
66	individual by the commissioner, the deputy, or an authorized
37	representative of the department of workforce development or the
88	United States training and employment service, or an employment
9	unit; or
10	(3) to return to the individual's customary self-employment when
1	directed by the commissioner or the deputy.
12	(b) With respect to benefit periods established on and after July 6,
_	(5) In respect to benefit periods established on and after July 0,



1980, the ineligibility shall continue for the week in which the failure occurs and until the individual earns remuneration in employment equal to or exceeding the weekly benefit amount of the individual's claim in each of eight (8) weeks. If the qualification amount has not been earned at the expiration of an individual's benefit period, the unearned amount shall be carried forward to an extended benefit period or to the benefit period of a subsequent claim.

- (c) With respect to extended benefit periods established on and after July 5, 1981, the ineligibility shall continue for the week in which the failure occurs and until the individual earns remuneration in employment equal to or exceeding the weekly benefit amount of the individual's claim in each of four (4) weeks.
- (d) If an individual failed to apply for or accept suitable work as outlined in this section, the maximum benefit amount of the individual's current claim, as initially determined, shall be reduced by twenty-five percent (25%). If twenty-five percent (25%) of the maximum benefit amount is not an even dollar amount, the amount of such reduction shall be raised to the next higher even dollar amount. The maximum benefit amount of the individual's current claim may not be reduced by more than twenty-five percent (25%) during any benefit period or extended benefit period.
- (e) In determining whether or not any such work is suitable for an individual, the department shall consider:
  - (1) the degree of risk involved to such individual's health, safety, and morals;
  - (2) the individual's physical fitness and prior training and experience;
  - (3) the individual's length of unemployment and prospects for securing local work in the individual's customary occupation; and
  - (4) the distance of the available work from the individual's residence.

However, work under substantially the same terms and conditions under which the individual was employed by a base-period employer, which is within the individual's prior training and experience and physical capacity to perform, shall be considered to be suitable work unless the claimant has made a bona fide change in residence which makes such offered work unsuitable to the individual because of the distance involved. For an individual who is not disqualified under section 1(c)(8) of this chapter, the determination of suitable work for the individual must reasonably accommodate the individual's need to address the physical, psychological, legal, and other effects of domestic or family violence.

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1	(f) Notwithstanding any other provisions of this article, no work
2	shall be considered suitable and benefits shall not be denied under this
3	article to any otherwise eligible individual for refusing to accept new
4	work under any of the following conditions:
5	(1) If the position offered is vacant due directly to a strike,
6	lockout, or other labor dispute.
7	(2) If the remuneration, hours, or other conditions of the work
8	offered are substantially less favorable to the individual than
9	those prevailing for similar work in the locality.
10	(3) If as a condition of being employed the individual would be
11	required to join a company union or to resign from or refrain from
12	joining a bona fide labor organization.
13	(4) If as a condition of being employed the individual would be
14	required to discontinue training into which the individual had
15	entered with the approval of the department.
16	(g) Notwithstanding subsection (e), with respect to extended benefit
17	periods established on and after July 5, 1981, "suitable work" means
18	any work which is within an individual's capabilities. However, if the
19	individual furnishes evidence satisfactory to the department that the
20	individual's prospects for obtaining work in the individual's customary
21	occupation within a reasonably short period are good, the
22	determination of whether any work is suitable work shall be made as
23	provided in subsection (e).
24	(h) With respect to extended benefit periods established on and after
25	July 5, 1981, no work shall be considered suitable and extended
26	benefits shall not be denied under this article to any otherwise eligible
27	individual for refusing to accept new work under any of the following
28	conditions:
29	(1) If the gross average weekly remuneration payable to the
30	individual for the position would not exceed the sum of:
31	(A) the individual's average weekly benefit amount for the
32	individual's benefit year; plus
33	(B) the amount (if any) of supplemental unemployment
34	compensation benefits (as defined in Section 501(c)(17)(D) of
35	the Internal Revenue Code) payable to the individual for such
36	week.
37	(2) If the position was not offered to the individual in writing or
38	was not listed with the department of workforce development.
39	(3) If such failure would not result in a denial of compensation
40	under the provisions of this article to the extent that such
41	provisions are not inconsistent with the applicable federal law.
12	(1) If the nosition pays wages loss than the higher of:



1	(A) the minimum wage provided by 29 U.S.C. 206(a)(1) (The
2	Fair Labor Standards Act of 1938), without regard to any
3	exemption; or
4	(B) the state minimum wage (IC 22-2-2).
5	(i) The department of workforce development shall refer individuals
6	eligible for extended benefits to any suitable work (as defined in
7	subsection (g)) to which subsection (h) would not apply.
8	SECTION 6. IC 22-4-15-3 IS AMENDED TO READ AS
9	FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. (a) An individual
.0	shall be ineligible for waiting period, if applicable, or benefit rights for
. 1	any week with respect to which his the individual's total or partial or
. 2	part-total unemployment is due to a labor dispute at the factory,
.3	establishment, or other premises at which he the individual was last
.4	employed.
.5	(b) This section shall not apply to an individual if: he
.6	(1) the individual has terminated his the individual's
7	employment, or his the individual's employment has been
. 8	terminated, with the employer involved in the labor dispute; or if
.9	(2) the labor dispute which caused his the individual's
20	unemployment has terminated and any period necessary to resume
21	normal activities at his the individual's place of employment has
22	elapsed; or <del>if</del>
23	(3) all of the following conditions exist: He
24	(A) The individual is not participating in or financing or
25	directly interested in the labor dispute which caused his the
26	<b>individual's</b> unemployment. <del>and he</del>
27	(B) The individual does not belong to a grade or class of
28	workers of which, immediately before the commencement of
29	his the individual's unemployment, there were members
0	employed at the same premises as he, the individual, any of
31	whom are participating in or financing or directly interested in
32	the dispute. <del>and he</del>
33	(C) The individual has not voluntarily stopped working, other
34	than at the direction of his the individual's employer, in
55	sympathy with employees in some other establishment or
66	factory in which a labor dispute is in progress.
37	(c) If in any case separate branches of work which are commonly
8	conducted as separate businesses in separate premises are conducted
9	in separate departments of the same premises, each such department
10	shall, for the purpose of this section, be deemed to be a separate
1	factory, establishment, or other premises.
12	(d) Upon request of any claimant or employer involved in an issue



arising under this section, the deputy shall, and in any other case the deputy may, refer claims of individuals with respect to whom there is an issue of the application of this section to an administrative law judge who shall make the initial determination with respect thereto, in accordance with the procedure in IC 22-4-17-3.

(e) Notwithstanding any other provisions of this article, an individual shall not be ineligible for waiting period, **if applicable**, or benefit rights under this section solely by reason of his **the individual's** failure or refusal to apply for or to accept recall to work or reemployment with an employer during the continuance of a labor dispute at the factory, establishment, or other premises of the employer, if the individual's last separation from the employer occurred prior to the start of the labor dispute and was permanent or for an indefinite period.

SECTION 7. IC 22-4-15-4, AS AMENDED BY P.L.290-2001, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 4. (a) An individual shall be ineligible for waiting period, **if applicable**, or benefit rights for any week with respect to which the individual receives, is receiving, or has received payments equal to or exceeding his the individual's weekly benefit amount in the form of:

- (1) deductible income as defined and applied in IC 22-4-5-1 and IC 22-4-5-2; or
- (2) any pension, retirement, or annuity payments, under any plan of an employer whereby the employer contributes a portion or all of the money. This disqualification shall apply only if some or all of the benefits otherwise payable are chargeable to the experience or reimbursable account of such employer, or would have been chargeable except for the application of this chapter. For the purposes of this subdivision, (2), federal old age, survivors, and disability insurance benefits are not considered payments under a plan of an employer whereby the employer maintains the plan or contributes a portion or all of the money to the extent required by federal law.
- (b) If the payments described in subsection (a) are less than his the individual's weekly benefit amount, an otherwise eligible individual shall is not be ineligible and shall be entitled to receive for such week benefits reduced by the amount of such payments.
- (c) This section does not preclude an individual from delaying a claim to pension, retirement, or annuity payments until the individual has received the benefits to which the individual would otherwise be eligible under this chapter. Weekly benefits received before the date











the individual elects to retire shall not be reduced by any pension, retirement, or annuity payments received on or after the date the individual elects to retire.

SECTION 8. IC 22-4-15-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5. Except as provided in IC 1971, 22-4-22, an individual shall be is ineligible for waiting period, if applicable, or benefit rights for any week with respect to which or a part of which he the individual receives, is receiving, has received, or is seeking unemployment benefits under an unemployment compensation law of another state or of the United States. Provided, that However, this disqualification shall not apply if the appropriate agency of such other state or of the United States finally determines that he the individual is not entitled to such employment benefits, including benefits to federal civilian employees under 5 U.S.C. 8501 et seq. and ex-servicemen pursuant to 5 U.S.C. Chapter 85 under 5 U.S.C. 8521 et seq.

SECTION 9. IC 22-4-16-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. Notwithstanding any other provisions of this article, if an individual knowingly fails to disclose amounts earned during any week in his the individual's waiting period, if applicable, benefit period, or extended benefit period with respect to which benefit rights or extended benefit rights are claimed, or knowingly fails to disclose or has falsified as to any fact which that would have disqualified him the individual or rendered him the individual ineligible for benefits or extended benefits or would have reduced his the individual's benefit rights or extended benefit rights during such a week, all of his the individual's wage credits established prior to the week of the falsification or failure to disclose shall be cancelled, canceled, and any benefits or extended benefits which that might otherwise have become payable to him the individual and any benefit rights or extended benefit rights based upon those wage credits shall be forfeited.

SECTION 10. IC 22-4-17-2, AS AMENDED BY P.L.273-2003, SECTION 5, AND AS AMENDED BY P.L.189-2003, SECTION 5, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. (a) When an individual files an initial claim, the department shall promptly make a determination of the individual's status as an insured worker in a form prescribed by the board. A written notice of the determination of insured status shall be furnished *to* the individual promptly. Each such determination shall be based on and include a written statement showing the amount of wages paid to the individual for insured work by each employer during the











individual's base period and shall include a finding as to whether such wages meet the requirements for the individual to be an insured worker, and, if so, the week ending date of the first week of the individual's benefit period, the individual's weekly benefit amount, and the maximum amount of benefits that may be paid to the individual for weeks of unemployment in the individual's benefit period. For the individual who is not insured, the notice shall include the reason for the determination. Unless the individual, within twenty (20) ten (10) days after such determination was mailed to the individual's last known address, or otherwise delivered to the individual, asks a hearing thereon before an administrative law judge, such determination shall be final and benefits shall be paid or denied in accordance therewith.

(b) Except as provided in subsection (i), the department shall promptly furnish each employer in the base period whose experience or reimbursable account is potentially chargeable with benefits to be paid to such individual with a notice in writing of the employer's benefit liability. Such notice shall contain the date, the name and Social Security account number of the individual, the ending date of the individual's base period, and the week ending date of the first week of the individual's benefit period. Such notice shall further contain information as to the proportion of benefits chargeable to the employer's experience or reimbursable account in ratio to the earnings of such individual from such employer. Unless the employer, within twenty (20) ten (10) days after such notice of benefit liability was mailed to the employer's last known address, or otherwise delivered to the employer, asks a hearing thereon before an administrative law judge, such determination shall be final and benefits paid shall be charged in accordance therewith.

- (c) An employing unit, including an employer, having knowledge of any facts which may affect an individual's eligibility or right to waiting period credits, **if applicable**, or benefits, shall notify the department of such facts within twenty (20) ten (10) days after the mailing of notice that a former employee has filed an initial or additional claim for benefits on a form prescribed by the board.
- (d) In addition to the foregoing determination of insured status by the department, the deputy shall, throughout the benefit period, determine the claimant's eligibility with respect to each week for which the claimant claims waiting period credit, **if applicable**, or benefit rights, the validity of the claimant's claim therefor, and the cause for which the claimant left the claimant's work, or may refer such claim to an administrative law judge who shall make the initial determination with respect thereto in accordance with the procedure in IC 22-4-17-3.







- (f)  $\frac{No}{A}$  person may *not* participate on behalf of the department in any case in which the person is an interested party.
- (g) Solely on the ground of obvious administrative error appearing on the face of an original determination, and within the benefit year of the affected claims, the commissioner, or a representative authorized by the commissioner to act in the commissioner's behalf, may reconsider and direct the deputy to revise the original determination so as to correct the obvious error appearing therein. Time for filing an appeal and requesting a hearing before an administrative law judge regarding the determinations handed down pursuant to this subsection



determination and shall be filed with the commissioner in writing within the prescribed periods as above set forth in subsection (c).  (h) Notice to the employer and the claimant that the determination of the department is final if a hearing is not requested shall be prominently displayed on the notice of the determination which is sent	
to the employer and the claimant.  (i) If an allegation of the applicability of IC 22-4-15-1(c)(8) is made	
by the individual at the time of the claim for benefits, the department	
shall not notify the employer that a claim for benefits has been made.	

